

House File 2448 - Introduced

HOUSE FILE _____
BY D. OLSON, PETERSEN, FORD,
and SMITH

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act requiring consumer notification of product manufacture
2 information relating to the sale or distribution of child-
3 oriented products and providing civil penalties.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 5621HH 82
6 rn/nh/14

PAG LIN

1 1 Section 1. NEW SECTION. 552B.1 LEGISLATIVE INTENT AND
1 2 FINDINGS.
1 3 It is the intent of the general assembly to promote the
1 4 health, welfare, and safety of the children of this state, and
1 5 assist parents and caregivers in making informed and educated
1 6 choices regarding the purchase of products intended for their
1 7 use. The general assembly finds that these objectives will be
1 8 facilitated through the point-of-sale conveyance of
1 9 information relating to the manufacturing of such products to
1 10 consumers by distributors offering the products for sale at
1 11 retail.
1 12 Sec. 2. NEW SECTION. 552B.2 DEFINITIONS.
1 13 1. "Child" means a person twelve years of age or younger.
1 14 2. "Child-oriented product" means a toy, item of clothing,
1 15 or other consumer good or protective device designed and
1 16 intended for use by, and purchase by or for the benefit of, a
1 17 child.
1 18 3. "Distributor" means a person who takes possession of or
1 19 title to one or more child-oriented products purchased for
1 20 promotional purposes or resale. A person involved solely in
1 21 delivering or storing child-oriented products on behalf of a
1 22 third party is not a distributor.
1 23 Sec. 3. NEW SECTION. 552B.3 CHILD-ORIENTED PRODUCTS ==
1 24 CONSUMER INFORMATION REQUIREMENTS.
1 25 A distributor offering for sale or for promotional purposes
1 26 a child-oriented product in this state shall prominently
1 27 display or make available at the retail or promotional
1 28 distribution location consumer information relating to safety
1 29 standards applicable to the manufacture of the product, as
1 30 follows:
1 31 1. If the product is labeled with a logo, trademark, or
1 32 other representation signifying approval or certification from
1 33 a nationally recognized regulatory authority or consumer
1 34 advocacy organization concerned with child welfare or product
1 35 safety, no additional consumer information shall be required.
2 1 2. If the product is manufactured within the United States
2 2 and is not labeled with a logo, trademark, or other
2 3 representation signifying approval or certification from a
2 4 nationally recognized regulatory authority or consumer
2 5 advocacy organization concerned with child welfare or product
2 6 safety, a statement or letter from the manufacturer warranting
2 7 the safety of the product and containing contact information
2 8 for the manufacturer shall be made available to consumers on
2 9 the product shelf or at a location in close proximity to an
2 10 unshelved product.
2 11 3. If the product is not manufactured within the United
2 12 States and is not labeled with a logo, trademark, or other
2 13 representation signifying approval or certification from a
2 14 nationally recognized regulatory authority or consumer
2 15 advocacy organization concerned with child welfare or product
2 16 safety, the distributor shall clearly display on the product
2 17 shelf or at a location in close proximity to an unshelved
2 18 product a statement that the product is untested and that its

2 19 safety has not been documented.
2 20 Sec. 4. NEW SECTION. 552B.4 RULES.
2 21 The attorney general shall adopt rules according to chapter
2 22 17A as necessary or appropriate to implement the provisions of
2 23 this chapter. The rules shall include procedures for
2 24 notifying child-oriented product manufacturers of the statement
2 25 or letter requirements of section 552B.3, subsection 2, and
2 26 the penalty provisions for failure to comply with those
2 27 requirements.

2 28 Sec. 5. NEW SECTION. 552B.5 VIOLATIONS.
2 29 A violation of this chapter is a violation of the Iowa
2 30 consumer fraud Act, section 714.16, except that the civil
2 31 penalty to which a manufacturer who fails to provide the
2 32 information required in section 552B.3, subsection 2, may be
2 33 subject shall not exceed one thousand dollars for each day of
2 34 such violation, and the civil penalty to which a distributor
2 35 violating section 552B.3, may be subject shall not exceed ten
3 1 thousand dollars for each day of such violation.

3 2 EXPLANATION

3 3 This bill requires that consumers purchasing or receiving
3 4 child-oriented products receive product manufacture
3 5 information relating to product safety under specified
3 6 circumstances.

3 7 The bill defines a "child" as a person 12 years of age or
3 8 younger, and defines a "child-oriented product" as a toy, item
3 9 of clothing, or other consumer good or protective device
3 10 designed and intended for use by, and purchase by or for the
3 11 benefit of, a child. Additionally, a "distributor" is a
3 12 person who takes possession or title to one or more
3 13 child-oriented products purchased for promotional purposes or
3 14 resale. The bill excepts from this definition a person
3 15 involved solely in delivering or storing child-oriented
3 16 products on behalf of a third party.

3 17 The bill provides that a distributor offering
3 18 child-oriented products for sale or promotion must display or
3 19 make available information relating to safety standards
3 20 applicable to the manufacture of the product. The nature of
3 21 the information varies depending upon the classification of
3 22 the manufacturer of the products. The bill provides that if a
3 23 product is labeled with a logo, trademark, or other
3 24 representation signifying approval or certification from a
3 25 nationally recognized regulatory authority or consumer
3 26 advocacy organization concerned with child welfare or product
3 27 safety, the distributor will not be required to provide any
3 28 additional consumer information relating to the product. If
3 29 the product is manufactured within the United States and is
3 30 not labeled with such a logo, trademark, or other
3 31 representation, the bill requires a statement or letter from
3 32 the manufacturer warranting the safety of the product and
3 33 containing contact information to be made available by the
3 34 distributor to consumers on the product shelf or at a location
3 35 in close proximity to an unshelved product. In the event that
4 1 a product is not manufactured within the United States and is
4 2 not labeled with the logo, trademark, or other representation,
4 3 the bill requires a distributor to clearly display on the
4 4 product shelf or at a location in close proximity to an
4 5 unshelved product a statement that the product is untested and
4 6 that its safety has not been documented.

4 7 The bill provides that the attorney general shall adopt
4 8 rules to implement the provisions of the bill, and provides
4 9 that a violation of the bill's requirements by either a
4 10 manufacturer or distributor constitutes consumer fraud
4 11 pursuant to Code section 714.16. As such, violations would be
4 12 subject to broad investigative and injunctive authority by the
4 13 attorney general, but a civil penalty is limited under the
4 14 bill to a maximum of \$10,000 for each day of a violation for
4 15 distributors, and \$1,000 for each day of a violation for
4 16 manufacturers. Civil penalties otherwise applicable under
4 17 Code section 714.16, subsection 7, are subject to a \$40,000
4 18 maximum.

4 19 LSB 5621HH 82
4 20 rn/nh/14